

The information required to be contained on a Certificate of Resale is set out at 86 Ill. Adm. Code 130.1405(b). (This is a GIL.)

December 5, 2000

Dear Xxxxx:

This letter is in response to your letter dated August 16, 2000. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), which can be accessed at <http://www.revenue.state.il.us/legalinformation/regs/part1200>.

In your letter, you have stated and made inquiry as follows:

I am writing to inquirer concerning the tax-exempt status of one of my customers. April 26, 2000, COMPANY ordered merchandise from BUSINESS, which was delivered to COMPANY. July 5, 2000, COMPANY faxed me a Retailers' Occupation Tax Act Certificate for a company by the name of TAXPAYER. BUSINESS has never done business with TAXPAYER. All sales were made to COMPANY.

They now claim that this certificate authorizes them to deduct any sales tax we charged on invoices to COMPANY during the month of April. If this is true I will be glad to credit the tax to their account. However, I would like your interpretation as to the legality of their tax-exempt status when COMPANY ordered and took delivery of merchandise in April.

Your help in this matter will be greatly appreciated and we look forward to your response.

Under Illinois law, a sale of tangible personal property shall be made tax-free on the ground of being a sale for resale if the purchaser has an active registration number or resale number from the Department and furnishes that number to the seller in connection with certifying to the seller that the sale to such purchaser is nontaxable because of being a sale for resale. Please refer to 35 ILCS 120/2a.

To purchase items of tangible personal property tax free for the purpose of resale, purchasers must submit properly completed Certificates of Resale to sellers. In order for a Certificate of Resale to be valid in Illinois, it must contain the items of information set out in 86 Ill. Adm. Code 130.1405(b), enclosed.

It is important that the registration number furnished in conjunction with a Certificate of Resale be that of the customer itself. It is not proper for the customer to furnish the registration number of another entity, such as its own customer.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b).

Very truly yours,

Karl W. Betz
Associate Counsel

KWB:msk
Enc.